K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

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Independent Auditors' Report

To,
The Members of,
HCC Construction Limited.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **HCC Construction Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules made thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of financial position of the Company as at March 31, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.11 in the Ind AS Financial Statements which indicates that the Company has incurred a net loss of ₹ 48,785 for the year ended March 31,2017 and, as of that date, the Company's liabilities exceeded its total assets by ₹ 1,94,018. These conditions, along with other matters as set forth in Note No. 8, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter

Other Matter

The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2016 and 31 March 2015 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's reports to the shareholders of the Company dated April 25, 2016 and April 27, 2015 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rule issued thereunder.

   (e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company

   (f) On the basis of the written representations received from the Directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      iv. The company is not having any cash balance during the period from 8th November, 2016 to 30th December, 2016 and hence therefore has provided requisite disclosures as NIL in its financial statements as to holdings as well as dealings in 'Specified Bank Notes' during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company - Refer note no. 17 to the Ind AS financial statement.

For K.S.Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

Place: Mumbai
Date: April 24, 2017

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2017 of **HCC Construction Limited**

(i) The company doesn't have any Fixed Assets and accordingly, the provisions of sub-clauses (a), (b) and (c) clause (i) of the Order are not applicable to the Company.

(ii) In absence of inventories clauses (ii) of the Order is not applicable to the Company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) are not applicable.

(iv) In the absence of loans, investments, guarantees and security provided, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

(v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 or the Companies (Acceptance of Deposit) Rules 2014 or the directives issued by the Reserve Bank of India apply.

(vi) We have been informed that the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013, which has been relied upon.

(vii) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards duty of customs, duty of excise, cess, sales tax and value added tax. The Company has been generally regular in depositing income tax and service tax dues along with cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank or debenture holder, and hence clause 3(viii) is not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

(xi) In absence of any managerial personnel, no managerial remuneration is paid and therefore the provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

(xiii) There are no related party transactions during the year, hence clause (xiii) of the Order is not applicable.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3 (xiv) is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

Place: Mumbai
Date: April 24, 2017

Annexure-B to Auditor's report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **HCC Construction Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Satish Kelkar
Partner
Membership No.: 38934

Place: Mumbai
Date: April 24, 2017

BALANCE SHEET AND STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

HCC CONSTRUCTION LIMITED

HCC CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31st MARCH 2017

PARTICULARS	Note No.	As At 1st April 2015	As At 1st April 2015	As At 1st April 2015
		31st March 2017	31st March 2016	1st April 2015
		₹	₹	₹
ASSETS				
NON CURRENT ASSETS		-	-	-
CURRENT ASSETS		-	-	-
Financial Assets				
(i) Cash and Cash Equivalents	3	**632**	25,982	56,603
	TOTAL	**632**	25,982	56,603
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	5	**5,00,000**	500000	500000
Other Equity Reserve and surplus	6	**(6,94,018)**	(6,45,233)	(6,17,737)
LIABILITIES				
NON CURRENT LIABILITY		-	-	-
CURRENT LIABILITY				
Other Current Liabilities	7	**1,46,570**	1,17,416	1,17,416
Provisions	8	**48,079**	53,799	56,924
	TOTAL	**632**	25,982	56,603
Significant Accounting Policies and Notes to Accoun	1			

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

K.S. AIYAR & CO
MUMBAI
400011
Chartered Accountants

For HCC Construction Ltd

ARUN V. KARAMBELKAR — Director

PERWEZ ALAM — Director

RAM GANDHI — Director

R.V.R.KISHORE — Director

PLACE :Mumbai
DATED : 24TH APRIL 2017

PLACE :Mumbai
DATED : 24TH APRIL 2017

HCC CONSTRUCTION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2017

	Particulars	Note No.	For the period ended 31st March 2017 ₹	For the Year ended 31st March 2016 ₹
I	REVENUE FROM OPERATIONS		-	-
II	OTHER INCOME		-	-
	Total Income (I+II+III)		-	-
IV	EXPENSES			
	Other Expenses	9	48,785	27,496
	Total Expenses (IV)		48,785	27,496
V	Profit / (Loss) before exceptional items and Tax		(48,785)	(27,496)
VI	Exceptional Items		-	-
VII	Profit Before Tax(IV - V)		(48,785)	(27,496)
VIII	TAX EXPENSE (a) Current Tax (b) Add: Excess / (Short) Provision of Earlier years written back / (Off)			
IX	Profit(Loss) for the year from the continuing operations		(48,785)	(27,496)
X	Profit / (Loss) for the year from the discontinuing operations		-	-
XI	Tax Expense from discontinuing operations		-	-
XII	Profit / (Loss) for the year from the discontinuing operations		-	-
XIII	LOSS FOR THE YEAR		(48,785)	(27,496)
	Earning per Share (Basic & Diluted) (Face Value of Rs. 10/- per Share)		(0.02)	(0.01)
	Significant Accounting Policies and Notes to Accounts	7		

As per our report of even date

For K.S.Aiyar &CO
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

K.S. AIYAR & CO * MUMBAI 400011 * Chartered Accountants

For HCC Construction Ltd

ARUN V. KARAMBELKAR Director

PERWEZ ALAM Director

RAM GANDHI Director

R.V.R.KISHORE Director

PLACE :Mumbai
DATED : 24TH APRIL 2017

PLACE :Mumbai
DATED : 24TH APRIL 2017

HCC CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

			PERIOD ENDED 31.03.2017 (Amount in ₹)	YEAR ENDED 31.03.2016 (Amount in ₹)
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Loss before tax as per Statement of Profit & Loss		(48,785)	(27,496)
	Operating loss before working capital changes		(48,785)	(27,496)
	Adjustments for :			
	Trade & Other receivable			
	Other payables	23,434		(3,125)
			23,434	(3,125)
	Cash generated from operations		(25,350)	(30,621)
	Direct Taxes Paid		-	-
	Net cash flow from operating activities		(25,350)	(30,621)
B.	CASH FLOW FROM INVESTING ACTIVITIES		-	-
C.	CASH FLOW FROM FINANCING ACTIVITIES		-	-
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(25,350)	(30,621)
	CASH AND CASH EQUIVALENTS AS AT 01/04/2016 (OPENING BALANCE)		25,982	56,603
	CASH AND CASH EQUIVALENTS AS AT 31/03/2017 (CLOSING BALANCE		632	25,982

As per our report attached

For K.S.Aiyar &CO
Chartered Accountants
Registration No. 100186W

K.S.AIYAR & CO * MUMBAI 400011 * Chartered Accountants

Satish Kelkar
Partner
Membership No. 38934

Mumbai
Dated : 24TH APRIL 2017

For HCC Construction Ltd

ARUN V. KARAMBELKAR — Director

PERWEZ ALAM — Director

RAM GANDHI — Director

R.V.R.KISHORE — Director

Mumbai
Dated : 24TH APRIL 2017

HCC CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY

Particulars	Equity share capital	Other Equity Reserves and Surplus Retained Earnings	Total
Balance as of April 1, 2015	5,00,000	(6,17,737)	(1,17,737)
Changes in equity for the year ended March 2016			
Profit / (Loss) during the year	-	(27,496)	(27,496)
Balance as of March 31, 2016	5,00,000	(6,45,233)	(1,45,233)
Balance as of April 1, 2016	5,00,000	(6,45,233)	(1,45,233)
Changes in equity for the year ended March 2017			
Profit / (Loss) during the year	-	(48,785)	(48,785)
Balance at the end of 31.03.2017	5,00,000	(6,94,018)	(1,94,018)

As per our report of even date

For K.S.Aiyar &CO
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

K.S.AIYAR & CO
MUMBAI 400011
Chartered Accountants

For HCC Construction Ltd

ARUN V. KARAMBELKAR Director

PERWEZ ALAM Director

RAM GANDHI Director

R.V.R.KISHORE Director

PLACE :Mumbai
DATED : 24TH APRIL 2017

PLACE :Mumbai
DATED : 24TH APRIL 2017

HCC CONSTRUCTION LIMITED

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 :

1.1 **Basis of Preparation of Financial Statements**

The financial statements ("the financial statements") of HCC Construction Ltd ("the Company") have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015 in respect of Section 133 of the Companies Act, 2013 ("the Act").

The financial statements upto year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) rules, read with rule 7 to the Companies (Accounts) Rules, 2014 (as amended) in respect of Section 133 of the Act ("previous GAAP"). These financial statements are the first financial statements of the Company under Ind AS. Refer note no 1.3, for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities, share based payments and contingent consideration that are measured at fair values, on an accrual basis of accounting.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

1.2 **Accounting Estimates**

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

1.3 **First-time adoption of Ind-AS**

These are the Company's First Financial Statements prepared in accordance with Ind AS.

These financial statements of the Company for the financial year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101-First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles.

1.4 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) **Financial Assets**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

i) **Financial Assets at Amortised Cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) **Financial Assets Measured at Fair Value**

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Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at fair value through profit or loss.

iii) **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iv) **De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) **Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) **Equity Instruments and Financial Liabilities**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii) **Financial Liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

1 **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

2 **De-recognition of Financial Liabilities**

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

3 **Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

1.5 **Cash & Cash Equivalents**

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.6 **Provisions, Contingent Liabilities and Contingent Assets**

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Chartered Accountants

(a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

(b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

(c) Contingent assets are neither recognised nor disclosed in the financial statements.

1.7 Finance Cost

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which it is accrued. Also, the EIR amortisation is included in finance costs.

1.8 Revenue Recognition

(a) Revenue from operations

The Company follows the percentage completion method, based on the stage of completion at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue including claims/variations as per Ind AS 11 and total cost till completion of the contract and the profit so determined proportionate to the percentage of the actual work done.

(b) Interest and Other Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.
Other income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

1.9 Taxation

Tax on Income for the current year is computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted on the Balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

1.10 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.11 Segment Reporting

The Company's operation is considered under one segment "Real-Estate Development" for internal reporting provided to the chief operating decision maker. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

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2 First-time adoption of Ind AS

'The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in preparation of an opening Ind AS balance sheet at April 1, 2015 (the group's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the act (previous GAAP or Indian GAAP). This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements.

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

	PARTICULARS	31st March 2016		31st March 2016	31st March 2015		1st April 2015
		IGAAP	Gaap Differnce	Ind-AS	IGAAP	Gaap Differnce	Ind-AS
	ASSETS						
	Current Assets						
	Financial Assets						
	(i) Trade Receivables	-	-	-	-	-	-
	(ii) Cash and Cash Equivalents	25,982	-	25,982	56,603	-	56,603
			-				
	Other Current Assets	-	-	-		-	-
		25,981		25,981	56,602		56,602
	EQUITY AND LIABILITIES						
(1)	**Equity**						
(a)	Equity Share Capital	500000	-	500000	500000	-	500000
(b)	Other Equity	(6,45,233)	-	(6,45,233)	(6,17,737)	-	(6,17,737)
	LIABILITIES						
(3)	**Current Liabilities**						
(a)	Financial Liability	-	-	-	-	-	-
(b)	Other Current Liabilities	1,71,215	-	1,71,215	1,74,340	-	1,74,340
		25,981	-	25,981	56,602	-	56,602

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Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

	Particulars	As per IGAAP 31.03.2016 ₹	Gaap Differnce	As per IND-AS 31.03.2016 ₹
I	REVENUE FROM OPERATIONS	-	-	-
II	OTHER INCOME	-	-	-
	Total Income (I+II+III)	-		
IV	**EXPENSES**			
	Other Expenses	27,496	-	27,496
	Total Expenses (IV)	27,496		27,496
V	Profit / (Loss) before exceptional items and Tax	(27,496)	-	(27,496)
VI	Exceptional Items	-		-
VII	Profit Before Tax(IV - V)	(27,496)		(27,496)
VIII	TAX EXPENSE			
	(a) Current Tax			
	(b) Add: Excess / (Short) Provision of Earlier years written back / (Off)			
IX	Profit(Loss) for the year from the continuing operations	(27,496)	-	(27,496)
X	Profit / (Loss) for the year from the discontinuing operations	-		-
XI	Tax Expense from discontinuing operations	-		-
XII	Profit / (Loss) for the year from the discontinuing operations	-		-
XIII	LOSS FOR THE YEAR	(27,496)	-	(27,496)
XIV	Other comprehensive income net of Tax			
XV	Total comprehensive income attributable to Equity shareholders	(27,496)	-	(27,496)

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Notes Forming Part of Financial Statements As On 31st March, 2017

(All amounts are in INR Rupees, unless stated otherwise)

Note 4 Financial Instrument

Financial risk management

The companies activities exposes it to market risk, liquidity risk and credit risk.

This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	-	-	-
Market risk — interest rate	-	-	-
Liquidity risk	Borrowings, Trade Payables and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Management of the Company provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

(a) Credit Risk

The company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost.

(b) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Company maintains flexibility in funding by support from holding company

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Notes Forming Part of Financial Statements As On 31st March, 2017

(All amounts are in INR Rupees, unless stated otherwise)

Fair value measurements

Significance of financial instruments :

Classification of financial instruments

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Amortised Cost			
Cash and Cash equivalent	632	25,982	56,603
At Fair Value through Profit & Loss	-	-	-
Total of Financial Assets	**632**	**25,982**	**56,603**
Financial Liabilities			
At Amortised Cost			
Other Financial Liabilities	-	-	-
Total of Financial Liabilities	-	-	-

Fair Value Hierarchy :

(a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Fair Value through Profit & Loss			
Level - 1	-	-	-
Total of Financial Assets	-	-	-

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
Level - 2	-	-	-
Total of Financial Assets	-	-	-
Financial Liabilities			
Level - 3			
Inter corporate deposit	-	-	-
Other Financial Liabilities - Interest on ICD	-	-	-
Total of Financial Liabilities	-	-	-

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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Notes to Accounts

PARTICULARS	As At 31st March 2017 ₹	As At 31st March 2016 ₹	As At 1st April 2015 ₹
Note No. - 3			
CURRENT ASSETS			
Financial Assets			
Cash and Cash Equivalents			
Bank Balance with Scheduled bank in current account	**632**	25,982	56,603
	632	25,982	56,603
Note No. - 5			
EQUITY			
Equity Share Capital			
Authorised Capital			
50,00,000 Equity shares of ₹10/- each	**5,00,00,000**	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000	5,00,00,000
Issued, Subscribed & Paid-up Capital			
50,000 Equity shares of ₹10/- each (Fully held by Hindustan Construction Company Ltd, the holding Co.)	**5,00,000**	5,00,000	5,00,000
	5,00,000	5,00,000	5,00,000
Reconciliation of shares outstanding at the beginning and at the end of the reporting period.			
Equity shares :			
No of shares outstanding at the Beginning of the year : Qty	**50,000**	50,000	50,000
Value	**5,00,000**	5,00,000	5,00,000
Add : Share issued and allotted during the year Qty	-	-	-
Value	-	-	-
No of shares outstanding at the End of the year : Qty	**50,000**	50,000	50,000
Value	**5,00,000**	5,00,000	5,00,000
Terms / Rights attached to shares :			
Equity shares			
Shares held by Holding Company :			
Hindustan Construction Company Limited Qt	**50,000**	50,000	50,000
Share Holding of more than 5% :			
Hindustan Construction Company Limited % He	**100**	100	100
	50,000	50,000	50,000

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Note No. - 6

OTHER EQUITY

Reserve and surplus			
Surplus as per Profit and Loss			
Balance Brought Forward	**(6,45,233)**	(6,17,737)	(5,79,382)
Add : Profit for the Year	**(48,785)**	(27,496)	(38,355)
Closing Balance	**(6,94,018)**	(6,45,233)	(6,17,737)

Note No. - 7

CURRENT LIABILITY

OTHER CURRENT LIABILITIES			
Hindustan Construction Company Ltd	**1,46,570**	1,17,416	1,17,416
	1,46,570	1,17,416	1,17,416

Note No. - 8

SHORT TERM PROVISIONS

Other provisional Liability	**48,080**	53,799	56,924
	48,080	53,799	56,924

Note No. - 9

OTHER EXPENSES

Professional Charges	**21,113**	-	-
Audit Fees	**17,251**	17,100	-
Rates and Taxes	**6,798**	10,396	-
Finance Charges	**3,623**	-	-
	48,785	27,496	-

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10 Disclosure in accordance with Ind-AS 24 Related Party Transactions

A. Names of Related Parties & Nature of Relationship

No.	Name of the Company	Country of Incorporatio	Relationship
1	Hindustan Construction company	India	Holding Company

B. Transactions with related parties (Amount in ₹)

Particulars of Transaction	Fellow Subsidiary		Holding Company	
	2016-17	2015-16	2016-17	2015-16
Hindustan Construction Co. Limited	-	-	1,46,570	1,17,416
Payable to Holding Company	-	-		-

11 Accumulated losses have exceeded the net worth of the Company. On consideration of the long term business outlook and future growth plans, the Management is of the view that this erosion in the net worth of the Company is temporary in nature and going concern nature of the business is not adversely affected, hence, financial statements are prepared on a going concern basis.

12 The Micro Small and Medium enterprises, to whom the amount outstanding for more than 30 days is Nil. The information has been complied to the extent they could be identified as small scale and ancillary undertakings on the basis of information available with the Company & relied upon by the auditors.

13 Earnings per Share

	Particulars	2016-17	2015-16
i.	Net Profit /(Loss) as per Statement of Profit & Loss Account available for Equity Shareholders (Rupees)	(48,785)	(27,496)
ii	No. of Shares of Equity Shares for EPS Computation	50,000	50,000
iii.	EPS (Basic & Diluted) (Rupees) (Face Value ₹10/- per Share)	(0.98)	(0.55)

14 There are no items having timing differences, therefore deferred tax asset / liability is not recognised.

15 During the year, there are no employees on payroll; hence disclosures under Accounting Standard 19 "Employee Benefits" are not applicable.

16 There are no reportable contingent liabilities as on Balance Sheet Date.

17 There is no cash in Hand in the books of accounts during the year 2016-17 hence no disclosure required in its financial statement as per Notification G.S.R .307 (E) dated 30th March 2017

18 Previous year's figures have been regrouped / recast, wherever necessary.

As per our report of even date

For K. S. Aiyar & Co.
Chartered Accountants
Registration No. 100186W

Satish Kelkar
Partner
Membership No. 38934

K.S. AIYAR & CO
MUMBAI 400011
Chartered Accountants

PLACE :Mumbai
DATED : 24TH APRIL 2017

For HCC Construction Ltd

ARUN V. KARAMBELKAR — Director

PERWEZ ALAM — Director

RAM GANDHI — Director

R.V.R.KISHORE — Director

PLACE :Mumbai
DATED : 24TH APRIL 2017